

4/12/42

NOTE

Mr. Sayers and I saw Mr. Wasserman and Mr. Sheriff yesterday.

The draft Memorandum of understanding was discussed and amendments were agreed. The figures for inclusion in the appendices were also agreed as amended. 252

Mr. Robertson, Rhodesia House, was present during the discussion on the price clause. The Americans point was that it had come to light that Turner & Newall had advanced their prices quite considerably over the past three years, the increases ranging from 22% to 40%. These increases and the further increase proposed for 1943 might be justified, but if there was to be a cost investigation it should cover the whole field, i.e. the scope of the inquiry should not be confined to granting or not granting the price increase asked for in 1943. It should be accepted that the investigation might show that a reduction on 1942 prices was justified.

It was agreed that Mr. Wasserman should approach the Company informing them that both the Ministry of Supply and Mr. Robertson supported the Americans view, and that if the Company refused to agree to the suggested widening of the scope of the cost investigation or to the alternative of selling in 1943 at 1942 prices (this alternative would be offered to them by Mr. Wasserman), then Mr. Robertson would consult the Southern Rhodesian Government and ascertain whether that Government had powers or was prepared to take powers to impose price conditions on the Company.

W.L.

(Note: Mr. Robertson agrees in writing that in 1942 the prices were 22% to 40% higher than in 1941.)

W.L. 27

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FINANCIAL RECORDS

SUPP 14 / 416

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